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Indian Oil and Gas Canada

Annual Report 2001 - 2002



Canada



Published under the authority of the
Minister of Indian Affairs and Northern
Development
Ottawa, 2002

QS-A027-010-EE-A1
Catalogue number R1-5/2002E
ISBN 0-662-32737-3

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Cette publication peut aussi être obtenue en
français sous le titre:
Pétrole et gaz des Indiens du Canada
Rapport annuel 2001 - 2002

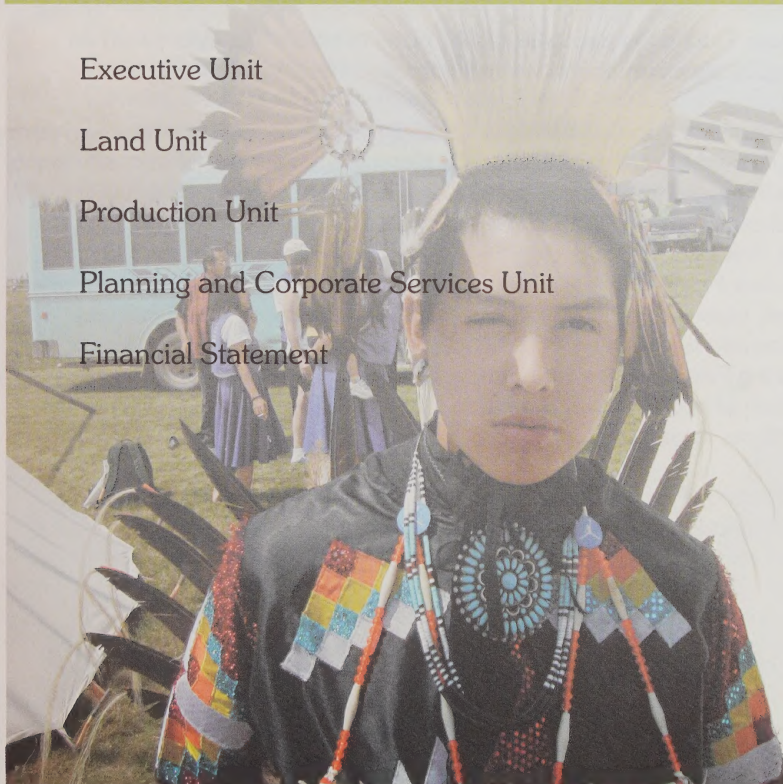
Cover designed by Rachelle Chapman.
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Message from the CEO



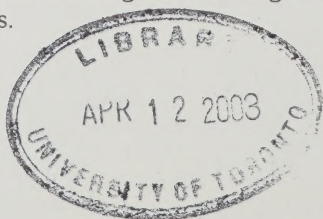
2001-2002 was another very successful year for Indian Oil and Gas Canada (IOGC). Although oil and gas companies did not see the windfall profits of a year ago when gas prices reached record highs, industry still maintained a strong performance and this shows in the amount of oil and gas related activity on First Nation lands.

More than 40 new subsurface agreements were initiated with industry, resulting in IOGC collecting almost \$12 million in bonus monies on behalf of First Nations. More than 170 First Nation-interest wells were drilled, bringing to a total of more than 1300 wells under IOGC administration. With IOGC also collecting more than \$175 million in royalty monies plus almost \$10 million in rental and other compensation monies, the total amount collected on behalf of First Nations was almost \$200 million.

IOGC continued its focus on daily operations during 2001-2002. In pursuit of the organization's goal of becoming a thoroughly modern regulator, much time and resources are being directed toward the process of amending the legislative and regulatory framework that IOGC administers. IOGC held one-on-one consultations with several First Nations throughout the year. During the next year, IOGC plans to hold a first-ever forum on legislative and regulatory amendments with all interested First Nation parties.

IOGC's partnership with the Indian Resource Council (IRC) continued to strengthen during the year with IOGC working closely with the IRC Co-management Board on a number of initiatives. One of the common goals of the IRC and IOGC is to further First Nations management and control of their oil and gas resources. To this end, IOGC continued to work closely with First Nations to develop their necessary skills. In particular, the pilot project, in which four First Nations are currently in the Enhanced Co-Management phase, broke new ground, especially in the realm of negotiations. A negotiation table was established in June and significant progress has been made. During the next year, IOGC and the participating First Nations will complete a Framework Proposal that will serve as a guide in the drafting of new, optional legislation that would allow any First Nation to manage its oil and gas resources.

IOGC's relationship with First Nations continues to evolve with exciting new territory continuing to be explored. But even while exploring these new avenues, IOGC always keeps its sight on the overall goal of making Canada a better place for First Nation peoples and all Canadians.



Strater J. Crowfoot
Chief Executive Officer
& Executive Director



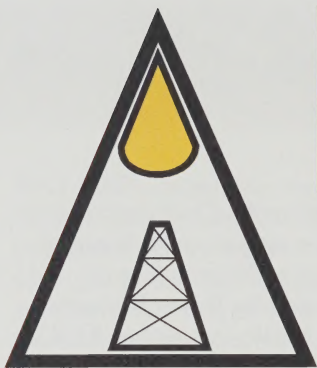
IOGC Co-Management Board

Indian Oil and Gas Canada (IOGC) operates under the direction of a Chief Executive Officer/Executive Director who participates as a member of the nine-member Board of Directors. The Board was established in 1996 by the signing of a Memorandum of Understanding (MOU) between the Minister of Indian Affairs and the Indian Resource Council (IRC). The MOU established a Board of Directors to initially co-manage IOGC operations, focusing on areas of collective interests, such as IOGC issues, policies, plans, priorities and resources. The Board also plays an important role in developing a vision to describe how the system for oil and gas management will function when First Nations assume control: the longer term calls for First Nations to assume eventual direction and control of IOGC. Six of the nine Board members are selected by the IRC and three by the Crown.

At the end of the fiscal year, the IOGC Co-Management Board was comprised of the following members:

- **Mr. Bernard Shepherd**, White Bear First Nation (Co-Chairman)
- **Mr. Warren Johnson**, Assistant Deputy Minister, Lands and Trust Services, Department of Indian Affairs and Northern Development (Co-Chairman)
- **Chief Ernest Wesley**, Stoney First Nation
- **Councillor Ben Ground**, Enoch First Nation
- **Councillor Errnol Gray**, Aamjiwaang First Nation
- **Mr. James Ahnassay**, Dene Tha' First Nation
- **Mr. S. Robert Blair**, Chairman Emeritus, Nova Corporation
- **Mr. Strater Crowfoot**, CEO and Executive Director, Indian Oil and Gas Canada
- **Ms. Judy Maas**, Treaty 8 Tribal Association





Indian Resource Council of Canada (IRC)

Established in 1987 as a stand-alone, First Nations owned and operated agency, the IRC acts as a representative voice for over 120 First Nations with oil and gas interests. Indian Oil and Gas Canada has had a positive and productive partnership with the IRC which both have worked to build. Six of the nine board members of IOGC are chosen by the IRC including the Co-Chairman.

The IRC serves their First Nation members by:

- complementing the interests and activities of individual First Nations with respect to energy initiatives, including employment opportunities
- developing and implementing employment and training programs
- supporting member First Nations in their efforts to attain full management and control of their oil and gas resources
- coordinating the promotion of initiatives with government, industry and other groups

The IRC serves both as a catalyst and an assistance provider for First Nations governments, business entities and individuals hoping to take advantage of business and employment opportunities associated with oil and gas development. The organization assesses the development potential of initiatives such as power and co-generated development and the use of natural gas as the feedstock in the production of electricity. With the deregulation of the Alberta energy industry and high natural gas prices, there is an opportunity for First Nations, many of which have good wells. Further to this, the IRC promotes the development of downstream, value-added oil and gas activities such as power development.

To these ends, the IRC is involved in the development and implementation of employment and training programs and the creation of alliances between First Nations and the oil and gas sector. It also supports First Nations in their efforts to attain full management and control of their resources and coordinates the promotion of initiatives with government, industry and other groups.

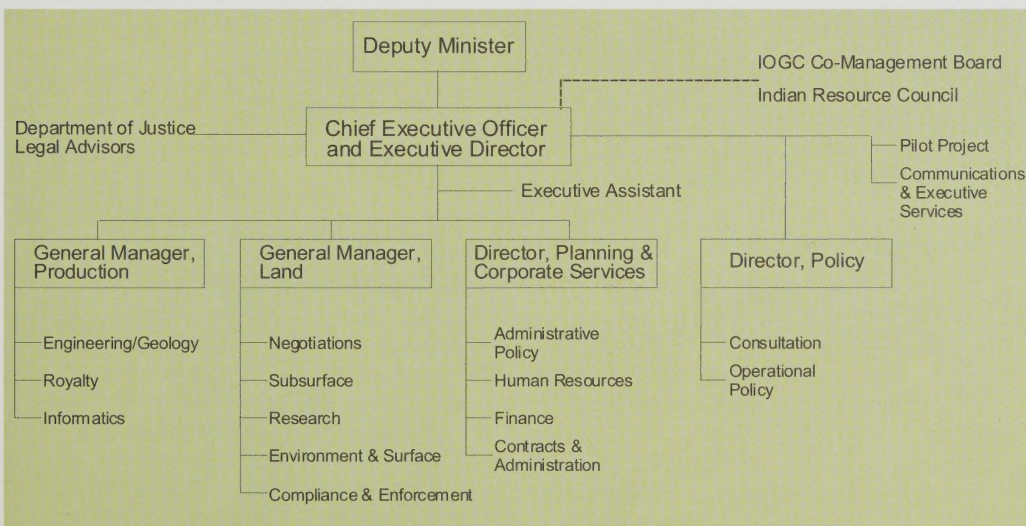
The IRC is headed by a President/CEO, Mr. Roy Fox (retired Chief of the Blood Tribe) reporting to a Board of Directors. The IRC Board consists of 15 First Nation elected leaders from Alberta, British Columbia, Ontario, Saskatchewan, and New Brunswick. The current Chairperson of the IRC is Bernard Shepherd of White Bear First Nation representing Saskatchewan First Nations.

Overview of Indian Oil and Gas Canada

The Department of Indian Affairs and Northern Development (DIAND), created in 1966, is entrusted with fulfilling the legal obligations of the federal government to Aboriginal people as outlined in treaties, the Indian Act and other legislation. Natural resources on First Nations lands, including oil and gas, are managed through this department. To meet the increasing demands of oil and gas activity, DIAND created Indian Oil and Gas Canada in 1987, replacing Indian Minerals West.

Indian Oil and Gas Canada is a branch within DIAND similar to one of its regional offices with dual reporting directly to the Deputy Minister and Assistant Deputy Minister, Lands and Trust Services (LTS). IOGC's singular focus on oil and gas management and the necessary links to the department's Lands and Trust Services branch, has meant that IOGC reports to the Assistant Deputy Minister, LTS on day-to-day issues.

This said, IOGC requires, and has been given, the relative authorities required to fulfill obligations to First Nation clients on timelines compatible with the greater oil and gas community. IOGC was granted Special Operating Agency (SOA) status in 1993 to give it the flexibility to work as a business-oriented organization within the dynamic and often volatile environment of the Canadian oil and gas industry.



Statutory Authorities

IOGC operates in accordance with provisions of the:

- Indian Oil and Gas Act
- Indian Oil and Gas Regulations, 1995

IOGC also enforces associated federal legislation including provisions of the:

- Indian Act
- other relevant legislation

Mandate

The mandate of IOGC is to fulfill the Crown's fiduciary and statutory obligations related to the management of oil and gas resources on First Nations lands and to further First Nation initiatives to manage and control their oil and gas resources.

Mission, Vision and Values

Mission

Our mission is to work together with First Nations to manage their oil and gas resources.

Vision

- To develop a corporate culture that is innovative, proactive and progressive where employees are empowered and accountable
- to be fair and consistent in the application of policies and procedures
- to actively seek to understand First Nations cultures, goals and aspirations
- to be open and to share knowledge and information that promotes informed decision-making
- to strive for excellence in services provided
- to work with the First Nations and actively promote their objective of achieving full management and control
- to work in partnership with the IOGC Co-Management Board to develop options to achieve full First Nation management and control

Values

Integrity

- I will be honest
- I will be ethical and act above reproach
- I will be thorough and forthright

Respect

- I will be considerate, empathetic and open-minded
- I will value the opinions of others and strive to understand through active listening
- I will appreciate diversity

Shared Leadership/Teamwork

- We will work as a strong, cohesive team
- I will seek input from my partners to work with them towards a common goal

Positive Attitude

- I will approach changes and challenges with optimism
- I will embrace each day with a positive frame of mind

Special Events

National Aboriginal Day

On a hot day in late June the grounds outside Indian Oil and Gas Canada's offices were bustling with much activity. With the sun shining brightly the crowds gathered on the 21st to watch traditional Native dancing and Inuit throat singers and to listen to the rhythmic drumming of Broken Knife.

The event was organized by a non-profit Committee that included both Aboriginal and non-Aboriginal people from Indian Oil and Gas Canada (IOGC) and the Committee for the Advancement of Native Employment (CANE) in addition to many other members.

National Aboriginal Day celebrated across the country was first established in 1996 as a unique national day to recognize the diverse cultures of First Nations, Inuit and Metis. June 21st was chosen because of its cultural significance in relation to the first day of summer and because it's the longest day of the year. Governor General Adrienne Clarkson said, "[NAD] is an opportunity for all of us to celebrate our respect and admiration for First Nations, for Inuit, for Metis - for the past, the present, and the future."

The festivities featured Inuit throat singers, Doreen Evyatailak and Theresa Westwood. The throat singing is a combination of collaborative singing where the participants sing alternately until the other gives up or breaks into laughter, whichever comes first. The dancers varied from Fancy, Grass, Jingle, Chicken and Traditional. With perfect weather for the NAD celebrations the day was a huge success.




Corporate Challenge

A beautiful summer afternoon at the end of August saw IOGC's employees out of doors again. This time, they were participating in IOGC's first-ever Corporate Challenge, a friendly competition between staff. Eight events were featured, ranging from typing to relay racing to pie baking. Nine teams with six members each saw action as they competed for top spot.

A surprise opportunity for staff presented itself when foil pie plates filled with whipped cream were unveiled alongside executive members posing as targets. Many staff members paid money for a chance to pie an executive in the face. Comments from the pried executives were overheard, such as, "mmmm, delicious!", and "I'll have to get the recipe!"





Operations

IOGC has four distinct units that regulate the exploration, production and management of First Nations oil and gas resources.

- Executive Unit is accountable for overall agency planning and direction, consultation, policy development, pilot project management, communications and overall executive and legal services
- Land Unit issues and administers leases on First Nations lands
- Production Unit monitors production and collects royalties
- Planning and Corporate Services Unit is responsible for corporate planning, finance, administration and human resources

Executive Unit

The Executive Unit, headed by the Chief Executive Officer, focuses on:

- Setting corporate direction and strategy
- Implementation of directives of the IOGC Board of Directors
- Operational policy development (including legislative/regulatory amendments) and consultation
- Communications and corporate executive services
- Legal services
- Management of the pilot project

Along with fulfilling the Crown's fiduciary and statutory obligations related to the management of oil and gas on First Nations lands, one of the unit's other central objectives is to further the aspirations and initiatives of First Nations to manage their petroleum resources. To this end, the CEO and other members of IOGC's executive team act as senior level liaisons between:

- The IOGC Board of Directors
- First Nations elected leadership
- Other government agencies
- The Canadian oil and gas industry

The Policy Group

In 2000-2001, the Executive Unit underwent some organizational changes to provide for the establishment of a new policy group. The policy group has responsibility for:

- Operational policy development
- Commencing a continuous change process for amendments to the governing regime
- Advancing current proposed changes to the **Indian Oil and Gas Act** and **Indian Oil and Gas Regulations, 1995**
- Preparing and implementing an involvement approach to ensure all key parties have input into any proposed changes

Management of the Pilot Project

The First Nations Oil and Gas Pilot Project also falls under the umbrella of the Executive Unit. This initiative was launched to address the First Nations desire to gain greater control and management of their oil and gas resources. The project has been developed and implemented through a joint process involving four First Nations, the Indian Resource Council and the department of Indian Affairs and Northern Development through its regulatory agency IOGC. The Pilot Project is now in the Enhanced Co-Management Phase. This phase involves First Nations assuming as much administrative and management responsibility as possible under the existing Indian Oil and Gas Regulations. IOGC continues to work with the Pilot First Nations and other federal and provincial government departments to develop a non-binding Framework Proposal which will form the basis for subsequent required legislation that will achieve the First Nations objective of management and control of their oil and gas resources.

The negotiation table established in June 2001 made significant progress towards resolution of many issues and concerns of various parties. In particular, much work was performed on the Framework Proposal, which is targeted for completion by July 2002. It is intended to move this document through the complex steps of legislative development during the later months of 2002. If everything proceeds according to plan, the Minister of Indian Affairs and Northern Development could introduce the new legislative package in the spring of 2003.

The Communications/Executive Services Group

Responsibility for IOGC corporate and First Nations communications and executive services lies within the Executive Unit. The Communications/Executive Services Unit is responsible for:

- Ensuring the proper dissemination of information to First Nations, the public and government
- Development of corporate communications strategies regarding IOGC issues that have the potential to impact First Nations or the private sector
- Development and preparation of briefings on IOGC issues for senior DIAND/IOGC officials and the minister
- Preparation of communications plans, strategies, reports (including the Annual Report) and correspondence on IOGC activity

Legal Counsel

Department of Justice (DOJ) legal counsel have increasingly taken on a vital support role, not only in terms of litigation matters, but especially in the contract and land issues that play such an important role in the day to day business of the organization. These activities include:

- Provision of legal advice with respect to the First Nations Oil and Gas Management Initiative and the IOGC Co-Management Board of Directors
- Regulatory, policy and operations advice as well as monitoring litigation in which IOGC is involved
- Provision of legal advice to the IOGC executive management committee

The Land Unit

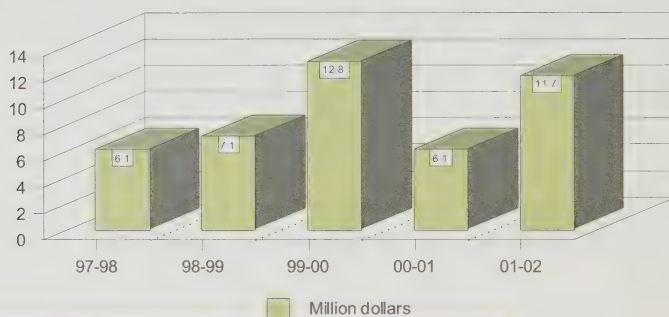
The Land Unit contains five groups: Negotiations, Subsurface, Research, Environment and Surface, and Compliance and Enforcement.

The Negotiations Group

This group is responsible for:

- Assessment of proposals by interested companies to ensure they are fair value and competitive and in accordance with IOGC's disposition policy
- Provisions of assistance to First Nations in reaching agreements with companies by offering support in the negotiation process
- Provision of advice to Treaty Land Entitlement (TLE) First Nations, various federal and provincial government departments and industry to facilitate the implementation of the TLE process

Bonus Revenues from First Nation Lands

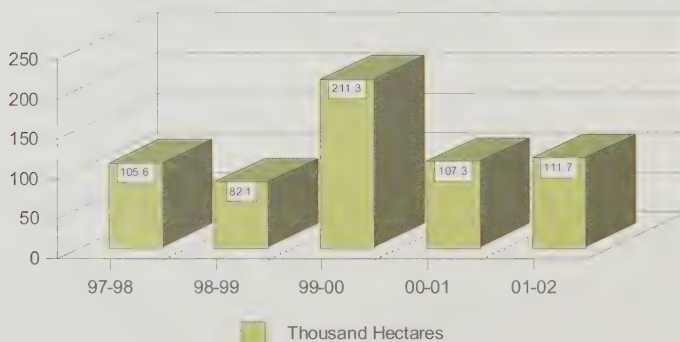


The Subsurface Group

This group is responsible for:

- Drafting and ensuring the execution of subsurface contracts and amendments in accordance with any negotiated terms and conditions and with federal government regulations, when an agreement is reached
- Monitoring subsurface commitments
- Administration of subsurface oil and gas agreements throughout the life of the agreement, including financial commitment (excluding royalties) and band suspense accounts

First Nation Lands Newly Leased, Permitted or Converted from Permit to Lease



New Subsurface Leases 2001-2002

(Excluding lease selections from permits*)

First Nation	Company	Area Disposed (hectares)
Bigstone Cree Nation	Encana Oil and Gas Co. Ltd.	512.00
Blood Tribe	Bonavista Petroleum Ltd.	0.79
Fort McMurray First Nation	Opti Canada Inc.	2,193.76
Four Nations Administration	Blue Parrot Resources Inc.	50.65
Four Nations Administration	Conoco Canada Resources Ltd.	1.00
Four Nations Administration	Purcell Energy Ltd.	1,462.89
Heart Lake First Nation	Java Energy Inc.	2,896.34
Heart Lake First Nation	Rio Alto Exploration Ltd.	29.04
Island Lake First Nation	United Penn Oil and Gas Ltd.	8,665.09
Island Lake First Nation	Bonavista Petroleum Ltd.	259.00
Kehewin Cree Nation	Enlight Energy Corp.	504.60
Little Pine First Nation	Cavell Energy (Sask) Corporation	1,441.03
Ocean Man First Nation	Talisman Energy Inc.	32.40
Onion Lake First Nation	Petrovera Resources Ltd.	43.95
Onion Lake First Nation	Canadian Natural Resources Ltd.	259.00
Paul First Nation	Hadrian Energy Corp.	8.30
Paul First Nation	Penn West Exploration Ltd.	260.00
Poundmaker First Nation	Petromin Resources Ltd.	1,398.02
Poundmaker First Nation	Northstar Energy Corporation	521.23
Red Pheasant First Nation	Petromin Resources Ltd.	130.31
Sawridge First Nation	Campion Resources Ltd.	51.90
Siksika Nation	EOG Resources Canada Inc.	768.00
Siksika Nation	Marathon Canada Ltd.	26.08
Siksika Nation	Best Pacific Resources Ltd.	159.60
Siksika Nation	EOG Resources Canada Inc.	507.20
Siksika Nation	Response Energy Corporation	1,792.00
Siksika Nation	Hunt Oil Company of Canada Inc.	1,061.84
Sunchild First Nation	Burlington Resources Canada Ltd.	2,284.40
Total		27,320.42

New Subsurface Permits 2001-2002

First Nation	Company	Area Disposed (hectares)
Blood Tribe	Hunt Oil Company of Canada Inc.	15,625.99
Drift Pile First Nation	Vintage Petroleum Canada Inc.	130.69
Little Pine First Nation	Cavell Energy (Sask) Corporation	5,957.00
Loon River Cree First Nation	Mahgwa Resources Inc.	352.80
Loon River Cree First Nation	Storm Energy Inc.	3,712.40
Piapot First Nation	Petrobank Energy and Resources Ltd.	3,829.74
Poundmaker First Nation	Northstar Energy Corporation	427.85
Siksika Nation	Del Roca Energy Ltd.	9,708.07
Stoney Nation	Olympia Energy Inc.	3,328.00
Stoney Nation	Suncor Energy Inc.	10,447.40
Stoney Nation	Olympia Energy Inc.	2,492.04
Tsuu T'ina Nation	Compton Petroleum Corporation	1,792.00
Woodland Cree First Nation	Pan Ridge Oil Corp.	9,710.07
Total		67,514.05

*Note: 16,828.5 hectares of permit lands were converted to 24 leases during this period.



The Research Group

This group is responsible for:

- Verifying legal title prior to surface and subsurface disposition
- Confirming oil and gas rights with respect to designation and leasing availability
- Confirming acreage for pooling purposes

The Environment and Surface Group

This group is responsible for:

- Management of matters relating to surface agreements and surface access, and for training, liaising with and providing information to First Nations and industry in regard to surface dispositions for upstream oil and gas activities
- Ensuring all proposed oil and gas surface activities, including seismic, drilling and pipeline rights-of-way undergo an environmental assessment as required by the Canadian Environmental Assessment Act (CEAA)
- Screening all environmental assessments to ensure environmental impacts are adequately mitigated
- Imposition of environmental protection terms so that oil and gas companies comply with the environmental legislation
- Performance of field inspections and audits of surface facilities to monitor industry compliance with the terms of surface agreements
- Drafting and ensuring execution of all surface agreements in accordance with any negotiated terms and conditions and with federal government regulations, when an agreement is reached
- Reviewing and updating IOGC environmental policy, procedures and standards to reflect changes in legislation, technology and best practices

The Compliance and Enforcement Group

This group is responsible for:

- Designing and enforcing an escalating ladder of consequences toward non-compliant entities
- Coordinating with other regulatory bodies in the enforcement of regulations
- Communicating and facilitating with First Nations and entities regarding resolution of non-compliance issues
- Participating in alternative dispute resolutions to resolve non-compliance issues
- Assisting and providing support to the Department of Justice in litigation and other enforcement processes toward the resolution of non-compliance issues



The Production Unit

The Production Unit includes three distinct groups: Engineering/Geology, Royalties and Informatics.

The Engineering/Geology Group

Responsibilities for this group include:

- Provision of services led by three senior petroleum engineers to three geographical areas - North, South and Central
- Provision of the support of a professional geologist and two engineering technologists across all three geographical areas
- Execution duties in the functional areas of compliance and reservoir engineering
- Provision of technical evaluation as part of the review and processing of leases at the end of their primary and succeeding terms
- Maintenance of close liaison with other functional groups within the organization while performing these functions

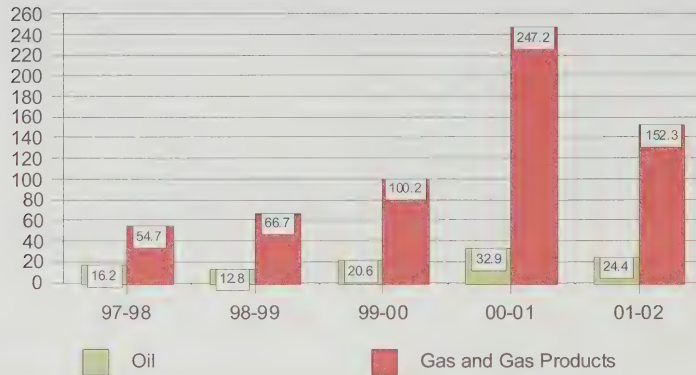
The Compliance activities include:

- Ensuring that production volumes are measured accurately and correctly reported as well as ensuring that equipment and facilities located on reserves are operated in an environmentally sound manner
- Identifying situations where First Nations oil and gas resources could potentially be drained and taking appropriate measures to prevent drainage from occurring
- Ensuring that all necessary documents are provided by permittees and lessees which are required by the Indian Oil and Gas Regulations and which pertain to drilling, servicing and abandoning wells in which a First Nation has a royalty interest
- Reviewing technical applications of various kinds which companies submit to the provincial regulatory authorities and which could potentially impact First Nations reserve lands

The Reservoir Engineering activities include:

- Providing yearly revenue forecasts to First Nations and the Alberta Region for budgeting purposes
- Evaluation of oil and gas leases for continuance
- Processing applications to abandon wells and to convert wells for water disposal, fluid injection or use as observation wells. Prior to approving any such request, technical information contained in the well file is reviewed to obtain assurance that no economically recoverable oil or gas remains
- Providing advice to First Nations with respect to the economics presented by companies in support of their proposals for developing First Nations lands. This may involve an assessment of the remaining recoverable reserves of oil and gas
- Maintaining a hydrocarbon resource inventory

Royalty Revenues From First Nation Lands (Millions)

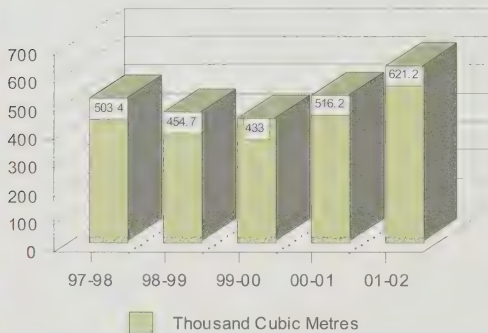


The Royalties Group:

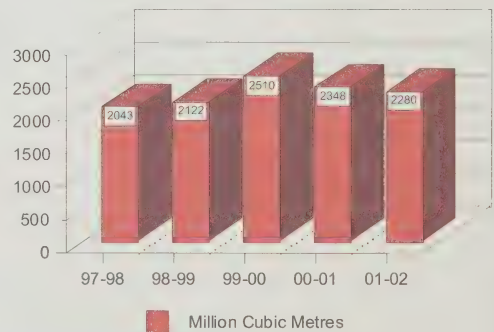
Responsibilities of this group include:

- Ensuring that all royalties are paid and accounted for, reconciling the royalty paid against the assessment to ensure First Nations receive their share of revenues from production of their resources
- Assessment of prices reported by the company to ensure they are fair and equitable as compared with Alberta Energy and Utilities Board (AEUB) documentation, price and other source data
- Management of authorized deductions from gross royalties such as gas cost allowance and trucking
- Auditing of royalties submitted

Oil Production Volumes From First Nation Lands



Gas Sales Volumes From First Nation Lands



The Informatics Group

Responsibilities of this group include:

- Maintenance of the local area network and the data systems used by IOGC to track leases, production figures, rentals and bonuses
- Provision of support for other corporate systems including finance, word processing, spreadsheet and graphics-based programs

Drilling Summary - First Nation Interest Wells (2001-2002)

Summary	Oil wells	46
	Gas wells	86
	Disposal/Cased wells	30
	Abandoned wells	17
	Total Wells	179

Reserve	Well Name	Location	Status
Alexander #134	ENI Alexander	00/07-02-056-27W4	GAS
Alexander #134	ENI Alexander	00/11-04-056-27W4	ABD
Alexander #134	PER Alexander	00/10-30-056-27W4	GAS
Alexis #133	Auburn Glenevis	00/10-24-055-04W5	OIL
Beaver Lake #131	AECOG Craigend	00/10-01-066-13W4	GAS
Blood #148	ARL	00/09-20-003-25W4	ABD
Blood #148	ARL	00/01-29-005-25W4	ABD
Blood #148	ARL	00/01-01-005-26W4	ABD
Blood #148	Bonavista Blood	00/14-09-007-22W4	GAS
Blood #148	Bonavista Blood	00/01-21-007-22W4	ABD
Blood #148	Bonavista Penny	00/16-04-008-22W4	OIL
Blood #148	Bonavista Penny	00/16-08-008-22W4	OIL
Blood #148	Bonavista Penny	00/12-16-008-22W4	OIL
Blood #148	Bonavista Penny	00/10-17-008-22W4	WTR
Blood #148	Bonavista Penny	00/16-17-008-22W4	OIL
Blood #148	Bonavista 02 Penny	02/16-18-008-22W4	OIL
Blood #148	Bonavista 02 Penny	02/06-19-008-22W4	OIL
Blood #148	Bonavista Penny	00/12-19-008-22W4	OIL
Blood #148	Bonavista Penny	00/03-20-008-22W4	ABD
Blood #148	Bonavista Penny	00/04-20-008-22W4	OIL
Blood #148	Bonavista Penny	00/16-23-008-23W4	OIL
Blood #148	Bonavista Penny	00/08-24-008-23W4	OIL
Blood #148	Bonavista Penny	00/12-25-008-23W4	GAS
Blood #148	Bonavista Penny	00/09-26-008-23W4	OIL
Blood #148	Bonavista Penny	00/08-27-008-23W4	OIL
Blood #148	Bonavista Penny	00/14-27-008-23W4	OIL
Blood #148	Bonavista Kipp	00/16-33-008-23W4	OIL
Blood #148	Bonavista Penny	00/02-34-008-23W4	OIL
Blood #148	Bonavista Kipp	00/06-34-008-23W4	OIL
Blood #148	Bonavista Penny	00/12-34-008-23W4	OIL
Blood #148	Bonavista Penny	00/13-10-009-23W4	GAS
Blood #148	Bonavista Penny	00/08-13-009-23W4	CSD
Blood #148A	Pioneer Lookout RE	00/08-20-001-28W4	CSD
Buck Lake #133C	Minihik	00/06-21-045-05W5	GAS
Cold Lake #149	Bonavista Kent	00/03-20-061-02W4	GAS
Cold Lake #149	Baytex 2D Beaverdam	03/02-22-061-02W4	OIL
Cold Lake #149	Baytex Beaverdam	02/07-22-061-02W4	OIL
Cold Lake #149	Baytex Beaverdam	03/07-22-061-02W4	OIL
Cold Lake #149	Baytex 9A Beaverdam	02/09-28-061-02W4	OIL
Cold Lake #149	Bonavista Charl	00/11-03-061-03W4	GAS
Cold Lake #149	Baytex Beaverdam	00/08-06-062-02W4	OIL
Cold Lake #149	Baytex Beaverdam	00/15-06-062-02W4	OIL
Drift Pile River #150	Genesis Driftpile	00/07-19-073-12W5	GAS
Ermineskin #138	Velvet Samson	00/15-30-044-24W4	ABD
Ermineskin #138	Velvet Nelson	00/13-02-045-25W4	OIL



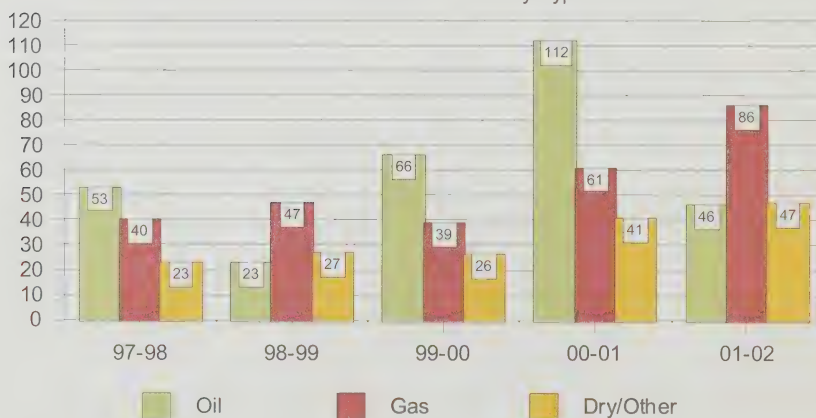
Reserve	Well Name	Location	Status
Hay Lake #209	Edge Sousa	00/15-18-112-04W6	OIL
Hay Lake #209	Ventus Sousa	02/15-18-112-04W6	GAS
Hay Lake #209	Ventus Sousa	00/12-03-112-05W6	GAS
Hay Lake #209	Ventus Sousa	00/02-04-112-05W6	GAS
Hay Lake #209	Ventus Sousa	00/04-09-112-05W6	GAS
Hay Lake #209	Ventus Sousa	00/16-09-112-05W6	CSD
Hay Lake #209	Ventus Sousa	00/03-11-112-05W6	GAS
Hay Lake #209	Ventus Sousa	00/16-11-112-05W6	GAS
Hay Lake #209	Ventus Sousa	00/05-13-112-05W6	GAS
Hay Lake #209	Castle River Sousa	00/06-16-112-05W6	OIL
Hay Lake #209	Ventus Sousa	00/15-16-112-05W6	GAS
Hay Lake #209	Castle River Sousa	00/07-17-112-05W6	ABD
Hay Lake #209	Castle River Sousa	02/07-17-112-05W6	OIL
Hay Lake #209	Ventus Sousa	00/01-20-112-05W6	GAS
Hay Lake #209	Ventus Sousa	00/10-21-112-05W6	GAS
Hay Lake #209	Ventus Sousa	00/13-24-112-05W6	ABD
Hay Lake #209	Ventus 102 Sousa	02/11-25-112-05W6	OIL
Hay Lake #209	Ventus Sousa	00/03-28-112-05W6	GAS
Hay Lake #209	Ventus Sousa	00/12-28-112-05W6	GAS
Hay Lake #209	Ventus Sousa RE	00/09-34-112-05W6	OIL
Hay Lake #209	Ventus Sousa	00/02-35-112-05W6	OIL
Hay Lake #209	Ventus Sousa RE	00/11-35-112-05W6	OIL
Hay Lake #209	Ventus Sousa	00/15-35-112-05W6	GAS
Hay Lake #209	Ventus Sousa	00/02-36-112-05W6	GAS
Hay Lake #209	Ventus 102 Sousa	02/12-36-112-05W6	GAS
Hay Lake #209	Ventus 102	02/05-02-113-05W6	GAS
Hay Lake #209	Ventus Sousa	00/09-02-113-05W6	GAS
Hay Lake #209	Ventus Sousa	00/03-11-113-05W6	GAS
Heart Lake #167	Java Mills	00/03-19-070-10W4	CSD
Heart Lake #167	RAX Mills	00/06-23-070-10W4	ABD
Heart Lake #167	Java Mills	00/03-14-070-11W4	CSD
Little Pine #116	Cavell Baldwinton	21/15-29-044-23W3	GAS
Little Pine #116	Cavell Baldwinton	21/11-32-044-23W3	GAS
Loon Lake #235	Storm Lubicon	00/15-25-086-10W5	OIL
Makao #120	Anderson 6A John Lake	00/06-34-054-01W4	GAS
Makao #120	Anderson 15A John Lake	00/15-02-055-01W4	GAS
Makao #120	Anderson 16B John Lake	00/16-03-055-01W4	GAS
Ministikwan #151	Bonavista Branch Lake	11/04-34-058-25W3	GAS
Montana #139	VECL Samson	00/01-27-043-24W4	GAS
O'Chiese #203	Encal Willesden Green	00/01-31-043-09W5	CSD
Ocean Man #69E	Talisman Losthorse Hill HZ	00/01-18-010-07W2	OIL
Red Pheasant #108	Bonavista Makwa	11/02-32-059-23W3	CSD
Red Pheasant #108	Bonavista Makwa	41/04-06-060-23W3	GAS
Saddle Lake #125	Auburn Keyano Cache	00/14-06-058-12W4	GAS
Saddle Lake #125	Auburn Keyano Cache	00/05-16-058-12W4	GAS
Samson #137	Cometra Malmo	00/11-26-043-23W4	GAS
Samson #137	Velvet Samson	00/15-20-044-23W4	CSD
Samson #137	Velvet Samson	00/06-01-044-24W4	OIL
Samson #137	Velvet Samson	00/07-01-044-24W4	OIL
Samson #137	Velvet Samson	00/14-01-044-24W4	OIL
Samson #137	Velvet Samson	00/03-17-044-24W4	ABD
Samson #137	Velvet Samson	00/16-17-044-24W4	GAS
Samson #137	Velvet Samson	00/07-19-044-24W4	GAS
Samson #137	Velvet Samson	00/12-20-044-24W4	GAS
Samson #137	Velvet Samson	00/04-21-044-24W4	GAS
Samson #137	Velvet Samson	00/06-26-044-24W4	GAS



Reserve	Well Name	Location	Status
Samson #137	EP Velvet Nelson	00/16-34-044-25W4	CSD
Samson #137	Velvet Samson	00/03-35-044-25W4	GAS
Siksika #146	Moxie Jumpbush	00/16-03-020-19W4	GAS
Siksika #146	Moxie 102 Jumpbush	02/06-16-020-19W4	CSD
Siksika #146	Moxie Jumpbush	00/10-21-020-19W4	GAS
Siksika #146	Moxie Jumpbush	00/10-22-020-19W4	GAS
Siksika #146	Marathon Queenstown	00/01-02-020-21W4	GAS
Siksika #146	Best Pacific Shouldice	00/16-31-020-22W4	GAS
Siksika #146	Del Roca SERC Bassano	00/13-02-021-19W4	GAS
Siksika #146	Hunt 100 Bassano	00/06-15-021-19W4	CSD
Siksika #146	PCP PCR 3C Bassano	00/03-28-021-19W4	CSD
Siksika #146	EOG Gleichen	00/08-26-021-21W4	GAS
Siksika #146	EOG Gleichen	00/14-27-021-21W4	GAS
Siksika #146	Best Pacific Shouldice	00/16-03-021-23W4	GAS
Siksika #146	EOG Shouldice	00/03-08-021-23W4	CSD
Siksika #146	EOG Blackfoot	00/11-08-021-23W4	CSD
Siksika #146	EOG Shouldice	00/07-17-021-23W4	GAS
Siksika #146	EOG Shouldice	00/14-17-021-23W4	GAS
Siksika #146	EOG Mossleigh	00/09-18-021-23W4	GAS
Siksika #146	EOG Shouldice	00/06-30-021-23W4	GAS
Siksika #146	EOG Shouldice	00/06-31-021-23W4	GAS
Siksika #146	EOG Shouldice	00/16-31-021-23W4	GAS
Siksika #146	EOG Shouldice	00/06-32-021-23W4	CSD
Siksika #146	EOG Farrow	00/16-14-021-24W4	CSD
Siksika #146	EOG Mossleigh	00/06-21-021-24W4	GAS
Siksika #146	EOG Mossleigh	00/16-21-021-24W4	GAS
Siksika #146	EOG Farrow	00/16-22-021-24W4	CSD
Siksika #146	EOG Farrow	00/06-23-021-24W4	CSD
Siksika #146	EOG Farrow	00/16-23-021-24W4	CSD
Siksika #146	EOG Farrow	00/16-24-021-24W4	CSD
Siksika #146	EOG Mossleigh	00/07-26-021-24W4	CSD
Siksika #146	EOG Farrow	00/16-27-021-24W4	CSD
Siksika #146	EOG Mossleigh	00/16-33-021-24W4	CSD
Siksika #146	EOG Farrow	00/06-34-021-24W4	CSD
Siksika #146	EOG Mossleigh	00/16-34-021-24W4	CSD
Siksika #146	EOG Blackfoot	00/06-35-021-24W4	GAS
Siksika #146	EOG Mossleigh	00/06-36-021-24W4	GAS
Siksika #146	EOG Gleichen	00/14-06-022-21W4	GAS
Siksika #146	EOG Gleichen	00/16-06-022-21W4	GAS
Siksika #146	EOG Blackfoot	00/06-06-022-23W4	GAS
Siksika #146	EOG Blackfoot	00/16-06-022-23W4	GAS
Siksika #146	Response SERC Blkft	00/13-31-022-23W4	GAS
Siksika #146	Response SERC Blkft	00/04-32-022-23W4	OIL
Siksika #146	EOG Blackfoot	00/08-01-022-24W4	GAS
Siksika #146	EOG Blackfoot	00/06-02-022-24W4	GAS
Siksika #146	EOG Blackfoot	00/16-03-022-24W4	GAS
Siksika #146	EOG Blackfoot	00/06-12-022-24W4	GAS
Siksika #146	Prospect et al 102 Blkft	02/14-29-022-24W4	CSD
Stoney #142B	PC 4-4 DR Wildcat Hills	00/15-32-027-06W5	ABD
Stony Plain #135	CRL Yekau Lake	02/16-03-052-26W4	OIL
Stony Plain #135	Post Acheson East	00/03-12-052-26W4	OIL
Stony Plain #135	Ketch 103 DR Yekau Lake	02/01-15-052-26W4	OIL
Sturgeon Lake #154	Lyse 103 Sturls	03/15-08-070-23W5	GAS
Sturgeon Lake #154	Lyse 103 Sturls	03/05-17-070-23W5	GAS

Reserve	Well Name	Location	Status
Sucker Creek #150A	Genesis Joussard	00/09-16-074-14W5	ABD
Sucker Creek #150A	Genesis Joussard 102 HZ	02/10-36-074-15W5	OIL
Sucker Creek #150A	Genesis Joussard 102 HZ	02/15-36-074-15W5	OIL
Tsuu T'ina Nation #145	Vermilion Shell Sarcee	00/14-06-023-03W5	CSD
Tsuu T'ina Nation #145	Compton Pogo Sarcee	00/01-19-023-03W5	ABD
Tsuu T'ina Nation #145	Compton Sarcee	00/15-23-023-04W5	OIL
Tsuu T'ina Nation #145	Vermilion Shell Sarcee	00/08-34-023-04W5	CSD
Unipouheos #121	Husky Lindbergh	00/16-25-056-03W4	GAS
Unipouheos #121	Husky 5C Frog Lake	02/05-16-057-03W4	OIL
Unipouheos #121	Husky Frog Lake	03/03-17-057-03W4	OIL
Unipouheos #121	Husky 2C Frog Lake	03/02-18-057-03W4	ABD
Wabamun #133A	Hadrian Highvale	00/06-19-052-03W5	GAS
Wabamun #133A	Hadrian Highvale	00/16-25-052-04W5	GAS
Wabasca #166	Husky Pelican	00/11-20-079-23W4	GAS
Wabasca #166	AECOG Peerless	00/01-23-079-23W4	ABD
Wabasca #166	Husky Pelican	00/02-28-079-23W4	GAS
Wabasca #166	Husky Pelican	00/02-29-079-23W4	GAS
Wabasca #166	Husky Pelican	00/06-30-079-23W4	GAS
Wabasca #166	Husky Pelican	00/10-24-079-24W4	GAS
Wabasca #166A	AECOG Hoole	00/15-29-080-24W4	GAS
Wabasca #166D	C2 Desmarais	00/09-08-080-25W4	ABD
Wabasca #166D	C2 Desmarais	02/03-21-080-25W4	CSD
Whitefish Lake #128	Auburn Keyano Craigend	00/03-01-062-13W4	GAS
Woodland Cree #226	Husky Cadotte	00/09-34-086-17W5	GAS

Wells Drilled on First Nation Lands By Type of Well



The Planning and Corporate Services Unit

Planning and Corporate Services (PCS) comprises four groups headed by the Director, Planning and Corporate Services. The unit manages and coordinates planning for the organization resulting in a Regional Management Plan. PCS's key responsibilities include provision of essential corporate services that relate to administrative policy, human resources, finance, contracts and administration.

The Policy Group

This group maintains a strategic role in the following:

- Development of corporate administrative policies
- Coordination of the approval of new administrative policies and changes in existing policies

The Human Resources Group

The principal responsibilities of this group are:

- The provision of complete personnel services to IOGC senior management and employees
- Administration of the special human resources classification and other programs required by IOGC as an organization with separate employer status
- Training and development
- Recruitment and staffing
- Staff relations and compensation

The Contracts and Administration Group

This group provides IOGC with a variety of administrative services, including:

- Contract administration
- Maintenance of central records
- Facility management
- Purchasing
- Security
- The handling of access to information requests
- Maintenance of a resource library

The Finance Group

This group is responsible for:

- The provision of complete corporate financial service to IOGC in the areas of accounting operations, financial systems, budget allocation, management variance reporting and funding to pilot First Nations for oil and gas initiatives
- Administration of the decentralized IOGC budget
- Collection and processing bonus, lease and royalty payments to First Nations trust accounts through IOGC's Resource Information Management System (RIMS)

2001-2002 Financial Operations

Funding

2001-2002 Budget Allocation	\$10,925,796
Carry Forward to 2002-2003	<u>(\$125,000)</u>

Total Funding	\$10,800,796
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Expenses, Contributions & Transfers

Expenses

Salaries	\$4,640,145
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Operation & Maintenance

Inventory Management Services	16,013
Disposition/Amendment Management Services	120,378
Contract Management Services	7,267
Monitoring and Verification Management Services	868,213
Operational Framework (Policy) Services	339,141
Corporate	925,835
Informatics	589,765
IOGC Board	7,823

Total Operating & Maintenance	\$2,874,435
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Contributions & Transfers

IRC - Partnership	470,000
- FNET	150,000
- IOGC Board	70,000
- Other IRC/FNET Projects	76,000

First Nations Oil & Gas Management Initiative	1,691,495
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Contingency (20%) - O&M to Salary Transfer	63,800
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Other Contributions & Transfers	560,105
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Total Contributions & Transfers	<u>\$3,081,400</u>
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Total Expenses, Contributions & Transfers	\$10,595,980
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Surplus/Deficit	\$204,816
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Revenues Collected On Behalf of First Nations

Royalties	\$176,648,524
Bonus	\$11,724,599
Compensation and Rentals	<u>\$9,716,101</u>

Total Revenues Collected On Behalf of First Nations	\$198,089,224
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